

114.3 CMR DIVISION OF HEALTH CARE FINANCE AND POLICY

114.3 CMR 23.00: HEARING AID DISPENSERS

Section

23.01: General Provisions

23.02: General Definitions

23.03: General Rate Provision, Requirements and Rates

23.04: Severability

23.01: General Provisions

- (1) Scope, Purpose, and Effective Date. 114.3 CMR 23.00 shall govern the rates of payment to be used by all governmental units and purchasers under M.G.L. c. 152, § 1 *et seq* (the Workmen's Compensation Act), in making payments to eligible providers who dispense hearing aids and provide authorized services related to the care and maintenance of hearing aids to publicly-aided individuals and industrial accident patients. 114.3 CMR 23.00 shall be effective October 1, 2003.
- (2) Coding Updates and Corrections. The Division may publish procedure code updates and corrections in the form of an Informational Bulletin. Updates may reference coding systems including, but not limited to the Healthcare Common Procedure Coding System (HCPCS). The publication of such updates and corrections will list:
 - 1) codes for which the code numbers only changed, with corresponding cross-walk;
 - 2) codes for which the code remains the same, but the description has changed;
 - 3) deleted codes for which there is no cross-walk; and
 - 4) for entirely new codes which require new pricing, the Division will list these codes and apply individual consideration in reimbursing for these new codes until appropriate rates can be developed.
- (3) Administrative Information Bulletins. The Division may issue administrative information bulletins to clarify its policy on and understanding of substantive provisions of 114.3 CMR 23.00.
- (4) Disclaimer of Authorization of Services. 114.3 CMR 23.00 is not authorization for or approval of the procedures for which rates are determined pursuant to 114.3 CMR 23.00. Governmental units that purchase care are responsible for the definition, authorization, and approval of care and services extended to publicly-aided clients.
- (5) Authority. 114.3 CMR 23.00 is adopted pursuant to M.G.L. c.118G.

23.02: General Definitions

As used in 114.3 CMR 23.00, terms shall have the meanings ascribed in 114.3 CMR 23.02.

Accessories. Those items purchased by the dispenser for use in the repair or modification of a hearing aid. These items shall not include non-essential items such as carrying cases.

Adjusted Acquisition Cost (A.A.C.). The actual unit price paid to a manufacturer by a hearing aid dispenser for a hearing aid or accessories, including costs for shipping and handling, and excluding postal insurance charges.

BiCROS. A CROS fitting with the addition of a second microphone to a single receiver. This may be used in the instance when one ear is more severely impaired than the other.

Binaural. The type of fitting or aid necessitated by varying degrees of hearing loss in both ears which require unparalleled amplification via the use of two microphones and/or receivers.

Binaural Fitting. The fitting of two hearing aids - one to each ear - simultaneously or within six months by an eligible provider.

CROS. Contra-lateral Routing of Signal, which refers to the type of hearing aid configuration which routes sounds from the hearing impaired ear to the hearing ear via the use of a microphone.

Division. Shall mean the Division of Health Care Finance and Policy

Eligible Provider. An individual, partnership, corporation, or other entity who dispenses hearing aids and provides services related to the care and maintenance of hearing instruments, and who meets such conditions of participation as have been or may be adopted from time to time by a governmental unit purchasing hearing aids and related services or by Worker's Compensation purchasers. At a minimum, a Hearing Instrument Specialist must be licensed by the Commonwealth of Massachusetts, Division of Professional Licensure, Board of Hearing Instrument Specialists. An Audiologist must be licensed by the Commonwealth of Massachusetts, Division of Professional Licensure, Board of Speech-Language Pathology and Audiology, and must be certified by the American Speech-Language-Hearing Association (ASHA).

Extended Insurance Policy. An agreement between the manufacturer and the dealer that protects hearing aids against loss, theft, or damage for a period in excess of the initial warranty period provided upon initial purchase of an aid or following a major repair. An extended insurance policy may last up to three years from initial purchase. Can be used if the governmental unit approves.

Governmental Unit. The Commonwealth, any department, agency, board or commission of the Commonwealth and any political subdivision of the Commonwealth.

Major Repairs. Repairs to a hearing aid that must be made by a repair facility other than the eligible provider's place of business.

Minor Repairs. Repairs performed at the eligible provider's place of business such as, but not limited to, replacement and cleaning of tubing.

Monaural Fitting. The fitting of one hearing aid by an eligible provider.

Out-of-Office Rates. Providers should use the appropriate POS code when billing for out-of-office services. Out-of-Office rates will be 115% of their respective in-office counterparts.

Out-of-Office Services. Authorized services provided in a nursing home, school, a patient's home or in any other setting where the provider travels from his or her usual place of business to provide the service. Only the codes in the following sections shall constitute services authorized for reimbursement under this provision:

- 114.3 CMR 23.03(2)(a)(2) Hearing Aids: Dispensing Fees
- 114.3 CMR 23.03(2)(b) Earmolds
- 114.3 CMR 23.03(2)(c) Ear Impressions
- 114.3 CMR 23.03(2)(d) Batteries
- 114.3 CMR 23.03(2)(f) Minor Repairs
- 114.3 CMR 23.03(2)(g) Major Repairs

POS. Place of Service. Providers who file claims with the Division of Medical Assistance (DMA) on the DMA paper claim 09, or on the DMA proprietary EMC format, must use the following place of service (POS) code set, even after October 15, 2003:

- 01 - Office
- 02 – Home
- 04 - Hospital Outpatient
- 06 – Nursing Home
- 07 – Rest Homes
- 10 – School Based
- 99 – Other

Providers who file HIPAA-compliant 837 Professional electronic claims on or after October 16, 2003, must use the CMS POS code set, excerpts below:

- 03 – School
- 04 – Homeless Shelter
- 11 – Office
- 12 – Home
- 22 - Outpatient Hospital
- 26 – Military Treatment Facility
- 31 – Skilled Nursing Facility
- 32 – Nursing Facility
- 99 – Other Place of service

Publicly-Aided Individual. A person for whom a governmental unit is in whole or in part liable for his/her medical and other services, under a statutory program

Used Hearing Aid. Any hearing aid that has been worn for any period of time by a user.

23.03: General Rate Provisions, Requirements and Rates

(1) General Rate Provisions. Payment for the purchase of hearing aids and authorized related accessories and services for the care and maintenance of hearing aid instruments, shall be the lowest of:

- (a) the eligible provider's usual charge to persons other than publicly-aided individuals and industrial accident patients;
- (b) the eligible provider's actual charge submitted; or
- (c) the schedule or maximum fees listed in 114.3 CMR 23.03(3).

With respect to 114.3 CMR 23.03(1), the rates of payment under 114.3 CMR 23.00 are full compensation for care rendered to publicly-aided individuals and industrial accident patients, as well as for any related administrative or supervisory duties and costs in connection therewith.

(2) General Requirements

(a) Purchase of Hearing Aids.

1. Requirements and Services Included.

- a. The hearing aid and standard accessories for the proper operation of the hearing aid and proper fitting and instruction in the use, care and maintenance of the hearing aid; and minor repairs and services as usually provided non publicly-aided individuals and industrial accident patients which may be necessary from time to time during the operational life of the hearing aid;
- b. a mandatory one year manufacturer's warranty and/or insurance against loss or damage. and;
- c. includes the cost of loaner hearing aid when necessary.

2. Required Documents for Billing. A copy of the manufacturer's invoice to the eligible provider, listing the adjusted acquisition cost of the hearing aid(s), the audiological evaluation, the medical clearance and a copy of the insurance policy and/or warranty.

(b) Earmold.

1. Requirements and Services Included. Earmold impression; and the proper fitting of the earmold on delivery and adjustments as may be needed from time to time. The maximum fee stipulated in 114.3 CMR 23.03(2)(b)2 shall not be allowed if an earmold is included in the manufacturer's price of the aid or the client already has an earmold.

2. Required Documents for Billing. A copy of the invoice, which specifies the cost of the earmold.

(c) Ear Impression.

1. Requirements and Services Included. One properly formed ear impression for each in-the-ear aid purchased. The fee stipulated in 114.3 CMR 23.03(3)(c) shall only be allowed at the time an in-the-ear aid is purchased. The fee listed in 114.3 CMR 23.03(3)(c) includes provision for all associated costs.

2. Required Documents for Billing. A copy of the manufacturer's catalog or price list to the eligible provider, which indicates that the model being purchased is an in-the-ear aid.

(d) Batteries

1. Requirements and Services Included. Proper freshness of batteries must be assured. The maximum fee listed in 114.3 CMR 23.03(3)(d) includes provision for all associated costs. Batteries must be new and unused at the time of purchase.

(e) Other Accessories

1. Requirements and Services Included. Proper fitting and adjustment of the accessory must be provided as needed. The maximum fee listed in 114.3 CMR 23.03(3)(e) includes provision for all associated costs. Accessories must be new and unused at the time of purchase.

(f) Refitting Services/Other Professional Services.

1. Requirements and Services Included. Additional fitting/refitting services will only be reimbursed, if the hearing aid was dispensed more than two years prior to the date of service of the refitting services. These professional services include refitting of the aid, orientation, counseling the member or member's family, contact with interpreters, fitting of a loaner aid, and similar services. Reimbursement for such services must include a face-to-face encounter with the publicly-aided individual and payment will be made for a maximum of three visits per year.

(g) Minor Repairs and Office Visits for Evaluation and Management Services.

1. Requirements and Services Included. An office visit for evaluation and management services will be reimbursed only, when one or more of the following services is required and is provided as part of the visit:

- a) Minor adjustments to the hearing aid to assure a proper fitting, such as an earmold adjustment, when a provider is not the provider who initially fit the hearing aid, and the provider who initially fit the hearing aid no longer provides services to publicly-aided individuals;
- b) Minor office repairs for which the provider customarily charges non-publicly-aided individuals;
- c) Cleaning of the hearing aid; or
- d) Replacement of parts such as, but not limited to, tubing, hooks, battery doors, and recasing. No fee shall be allowed when the eligible provider does not customarily charge clients other than publicly-aided individuals and industrial accident patients for these repairs.

(h) Major Repairs.

1. Requirements and Services Included. Charges may only be submitted for a hearing aid after all warranties and/or insurance have expired. The hearing aid in need of a major repair must be sent directly to the repair facility or manufacturer that will perform the repair. Handling charges by an intermediary may not be submitted.

Repair services shall include a written warranty against all defects for a minimum of six months unless otherwise documented by the repair facility or manufacturer. The provider of the repair services is responsible for the quality of the workmanship and parts, and for ensuring that the repaired aid is in proper working condition. The maximum fee listed in 114.3 CMR 23.03(3)(h) includes provision for all associated costs.

2. Required Documents for Billing. For major repairs, a copy of the invoice from the manufacturer or the repair facility listing the cost of the repair.

(i) Extended Insurance Covering Loss and Damage.

1. Requirements and Services Included. The manufacturer's insurance policy that provides coverage for the loss or damage of a hearing aid for up to three years following purchase, but not less than one year.

2. Required Documents for Billing. Manufacturer's invoice specifying price, duration, and coverage of the insurance policy. For billing handling charges, dealers must submit receipted invoice itemizing postal and insurance cost.

(j) Other Services.

1. Requirements and Services Included. No fee shall be allowed when the provider does not customarily charge clients other than publicly-aided individuals and industrial accident patients for such items.

2. Required Documents for Billing. A description of authorized items or services.

(3) Rates. 114.3 CMR 23.03(3) sets forth maximum fees for the items and services listed as follows:

a. Maximum Fees for Hearing Aids: The maximum fees shall be the Adjusted Acquisition Cost of the hearing aid, plus the appropriate dispensing fee.

(1) Hearing Aids Dispensing Fees:

<u>Code</u>	<u>Description</u>	<u>Fee</u>
V5090	Unspecified hearing aid	\$219.21
V5110	bilateral	\$330.00
V5160	binaural	\$330.00
V5200	CROS	\$330.00
V5240	BICROS	\$330.00
V5241	monaural hearing aid, any type	\$219.21

(2) Hearing Aids Purchase Codes Fee: A.A.C.

V5030	Hearing aid, monaural, body worn, air conduction
V5040	Hearing aid, monaural, body worn, bone conduction
V5050	Hearing aid, monaural, in the ear
V5060	Hearing aid, monaural, behind the ear
V5070	Glasses, air conduction
V5080	Glasses, bone conduction
V5095	Semi-implantable middle ear hearing prosthesis
V5100	Hearing aid, bilateral, body worn
V5120	Hearing aid binaural, body worn
V5130	Hearing aid, binaural, in the ear
V5140	Hearing aid, binaural, behind the ear
V5150	Hearing aid, binaural, glasses
V5170	Hearing aid, CROS, in the ear
V5180	Hearing aid, CROS, behind the ear

V5190 Hearing aid, CROS, glasses
 V5210 Hearing aid, BICROS, in the ear
 V5220 Hearing aid, BICROS, behind the ear
 V5230 Hearing aid, BICROS, glasses
 V5242 Hearing aid, analog, monaural, CIC (completely in the ear canal)
 V5243 Hearing aid, analog, monaural, ITC (in the canal)
 V5244 Hearing aid, digitally programmable analog, monaural, CIC
 V5245 Hearing aid, digitally programmable analog, monaural, ITC
 V5246 Hearing aid, digitally programmable analog, monaural, ITE (in the ear)
 V5247 Hearing aid, digitally programmable analog, monaural, BTE (behind the ear)
 V5248 Hearing aid, analog, binaural, CIC
 V5249 Hearing aid, analog, binaural, ITC
 V5250 Hearing aid, digitally programmable analog, binaural, CIC
 V5251 Hearing aid, digitally programmable analog, binaural, ITC
 V5252 Hearing aid, digitally programmable, binaural, ITE
 V5253 Hearing aid, digitally programmable, binaural, BTE
 V5354 Hearing aid, digital, monaural, CIC
 V5355 Hearing aid, digital, monaural, ITC
 V5356 Hearing aid, digital, monaural, ITE
 V5257 Hearing aid, digital, monaural, BTE
 V5258 Hearing aid, digital, binaural, CIC
 V5259 Hearing aid, digital, binaural, ITC
 V5260 Hearing aid, digital, binaural, ITE
 V5261 Hearing aid, digital, binaural, BTE
 V5262 Hearing aid, disposable, any type, monaural
 V5263 Hearing aid, disposable, any type, binaural
 V5274 Assistive listening device, not otherwise specified
 V5298 Hearing aid, not otherwise classified

b. Maximum Fees for Earmolds: Eligible provider's adjusted acquisition cost (A.A.C.), plus a dispensing fee of \$13.19.

(1)	<u>Procedure Codes</u>	<u>Description</u>	<u>Fee</u>
	V5264	Ear mold/insert, not disposable, any type	A.A.C. + \$13.19
	V5265	Ear mold/insert, disposable, any type	A.A.C. + \$13.19

c. Maximum Fee for Ear Impressions

(1)	<u>Procedure Code</u>	<u>Description</u>	<u>Fee</u>
	V5275	Ear impression, each	\$13.19

d. Batteries.

(1)	<u>Procedure Code</u>	<u>Description</u>	<u>Fee per Battery</u>
-----	-----------------------	--------------------	------------------------

V5266	Battery for use in hearing device	\$1.37
-------	-----------------------------------	--------

e. Maximum Fees for Other Accessories. Eligible provider's adjusted acquisition cost (A.A.C.), plus a 40% markup.

(1) Procedure Code	Description	Fee
V5267	Hearing Aid Supplies/Accessories	A.A.C. x 1.40

f. Maximum Fees for Refitting Services.

(1) Procedure Code	Description	Fee per visit
V5011	Fitting/orientation/checking of hearing aid	\$31.29

g. Maximum Fee for Minor Repairs.

Procedure Code	Description	Maximum Fee
99499	Unlisted evaluation and management service	\$4.51

h. Maximum Fees for Major Repairs. Eligible provider's cost for repair as shown on invoice plus a 40% markup. The maximum markup over cost is \$29.23.

(1) Procedure Code	Description
V5014	Repair/Modification of a hearing aid (attachment required).

i. Maximum Fees for Extended Insurance. Manufacturer's price for insurance policy to the eligible provider. The dealer may bill the purchasing governmental unit for postage and insurance costs incurred by the dealer when an aid covered by an extended insurance policy is mailed to the manufacturer for repairs and returned to the dealer. Please bill under "Other Services" (see j below)

j. Maximum Fee for Other Services. Individual Consideration (I.C.)

(1) Procedure Code	Description
V5299	Hearing service, miscellaneous

(4) Individual Consideration. Rates of payment to eligible providers for procedures authorized in 114.3 CMR 23.00, but not listed herein or authorized procedures performed in exceptional circumstances shall be determined on an Individual Consideration (I.C.) basis by the governmental unit or Workmen's Compensation purchaser upon receipt of a bill which describes the services rendered.

The determination of rates of payment for authorized Individual Consideration procedures shall be in accordance with the following criteria:

- time required to perform the procedure;
- degree of skill required for the procedure rendered;
- severity or complexity of the disorder or disability;
- policies, procedures, and practices of other third-party purchasers of health care, governmental and private;

- (e) prevailing hearing aid ethics and accepted customs;
- (f) the cost to the provider of such services/items;
- (g) such other standards and criteria as may be adopted from time to time by the Division.

In no event shall an eligible provider bill or be paid in excess of the usual charge for hearing aids and related services rendered to clients other than publicly-aided individuals and industrial accident patients.

23.04: Severability

The provisions of 114.3 CMR 23.00 are severable, and if any provision of 114.3 CMR 23.00 or application of such provision to any eligible provider of hearing aid dispensers or any circumstances shall be held to be invalid or unconstitutional, such invalidity shall not be construed to affect the validity or constitutionality of any remaining provisions of 114.3 CMR 23.00 or application of such provisions to eligible providers of hearing aid dispensers or circumstances other than those held invalid.

REGULATORY AUTHORITY

114.3 CMR 23.00: M.G.L. c.118G